EXHIBIT Y



Remarks with Palestinian Authority President Mahmoud Abbas

Secretary Condoleezza Rice Ramallah, West Bank October 15, 2007

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PRESIDENT ABBAS: (Via interpreter) in the name of God, the Compassionate and the Merciful, again, and over seven consecutive times I would like to welcome Dr. Rice, who visits us today, as I said, for the seventh time in a row over the past few months.

We are working diligently and exerting all efforts with our utmost efforts to reach the conference that was called for by President George Bush in order to render this conference successful. We are working hard to formulate a joint document with Israeli side that defines the fundamental basis for solution of final status issues such as Jerusalem, borders, settlements, refugees, security, water and joint relations.

The conference that is scheduled to be held in the fall should launch the negotiations for final status issues in order to reach and conclude a peace agreement based on international the resolutions, the relevant international resolutions, and the Arab Peace Initiative, and the roadmap plan that encompasses the vision of President George Bush. We are seeking a just and genuine and fair peace on all tracks based from on the Palestinian track.

During our meeting I asked Dr. Rice to help us in stopping all settlement activities and freezing all settlement activities, including the natural growth, and that is according to the roadmap plan, and to stop the construction of the annexation wall and to abrogate the decision to confiscate lands from Abu Dis, Azaria and al-Sawahra that is supposed to expand the Ma'ale Adumim settlement in the E-1 area. And as well I asked that they stop the excavations in the vicinity of Al Haram al-Sharif al-Aqsa

We are exacting our utmost efforts to consolidate the rule of law and the one unified authority and the legitimate weapon, the unified legitimate arms. I reiterated to the Secretary that the West Bank, including East Jerusalem and the Gaza Strip, is one geographical and political entity that could not be divided. And I reiterated our insistence to continue to deliver the basic needs of our people in Gaza Strip as a whole.

It is important that the coup that took place in Gaza should be reversed and that the Palestinian legitimacy prevails as a full and the whole and not divided, as integral package.

I asked the Secretary to help in parallel of the final status negotiations the release — to help us in the release of prisoners and to bring back the exiled and also to open the institutions, the closed institutions in East Jerusalem, and to lift the siege and the sanctions imposed on the Palestinians and to return things back to 28th of September of 2000, and also to build the confidence with the Israeli and the Palestinian side, and to create a real political horizon that will bring assurances to the people and launches a genuine and credible peace process.

I trust and I am -- I have trust and confidence in President Bush and you, Dr. Rice, and in your willingness and your ability to support us and to support the achieving of just and comprehensive peace and the ending of the Palestinian suffering. And thank you.

SECRETARY RICE: Thank you. And thank you very much, Mr. President. I have been here a great deal and I want to thank you for your hospitality each time. It may be easier to simply take up residency in Ramallah, I've been here so much. But thank you very much for hosting me again.

And we have a lot of work to do. We have noted the important momentum that you and Prime Minister Olmert have achieved in your bilateral discussions. My goal in being here at this time is to see what I can do to help you sustain that momentum toward the conclusion of a joint document that you could bring to an international meeting that President Bush has called for sometime this fall. It is a very important time in the Palestinian-Israeli issue because I think that there is goodwill on both sides, there is growing confidence and growing trust. Your teams are beginning to work and we are going to encourage your teams to work intensively, indeed very, very hard over the next several weeks, because there is a lot of work to be done.

It is also very important that we build confidence between the parties, as you and Prime Minister Olmert have built confidence between yourselves. And that means that we will also be encouraging the parties to implement the first phase obligations under the roadmap. They are spelled out for both parties and they are, in themselves, a kind of reliable guide about how one might get to the establishment of a Palestinian state.

I have said that we need to, at this particular point in time, be certain to avoid any steps that would undermine confidence, because the building of confidence is something that takes time. We've been working at it for a while and we want everyone to know that confident partners are going forward to the international meeting this fall. I'm sure that if we continue to do our work in an atmosphere of goodwill, in an atmosphere of urgency to complete the important work that you and Prime Minister Olmert have set out, that we will be successful in moving toward a meeting in which the international community and the regional states can signal their support for the very important bilateral work that you have remaining to do and for laying a foundation for the establishment of a Palestinian state based on a negotiated solution. And so thank you very much for hosting me here.

QUESTION: (Via interpreter) Dr. Rice, your visit - there is attack by many nations and the refusals by the Israelis in terms of the fall conference as well as the agenda for the final status negotiations. How do you -- how would the conference be successful if there's no clear vision about its contents and about its agenda?

And also, would that make the Arab parties participate in the conference? Mr. President, could you go to the fall conference without a clear agenda?

SECRETARY RICE: Well, first let me say, there is a clear agenda, and that is to work on an international basis to support the efforts of Palestinians and Israelis to end their conflict. That's the very clear agenda. We know that that requires the addressing of a number of issues that — core issues — that must be resolved ultimately if there is to be a Palestinian state. We know that that must involve looking to improve the lives of Palestinians economically, to improve the lives of the Palestinians in terms of movement and access.

We know, too, that it requires the support of regional states and the support of the international community, so there is an agenda. We've not issued invitations because we want the work of this bilateral track to continue very aggressively moving toward that international meeting. But I think we made some clarifications of the nature of this meeting when I was in New York. We made some clarifications of those that we would expect to invite to be involved.

And I just want to repeat what the President said in an interview that he recently gave to Al Arabiya, which is that this is going to be a serious and substantive conference that will advance the cause of the establishment of a Palestinian state. We, frankly, have better things to do than invite people to Annapolis for a photo op. The United

States of America is a very big country with a lot of responsibilities and a lot of obligations. I hope you understand and that everybody understands that the President has decided to make this one of the highest priorities of his Administration and of his time in office. It means that he is absolutely serious about moving this issue forward and moving it as rapidly as possible to conclusion.

PRESIDENT ABBAS: Of course, Dr. Rice clarified that there is a clear agenda and it's understandable and known to everyone and it's not just a photo op. As she mentioned, everything will be clear in this meeting, international meeting, and then afterwards we will move to negotiations within a set time frame in order to reach a peace agreement, conclude a peace agreement. This is what we are seeking and this is what we are working on in the near future.

QUESTION: I have a question for both of you. Madame Secretary, you have now met both parties. Do you have any sense that they are any closer together? And Mr. President, do you have the feeling that the Israelis are now ready to make some compromises?

SECRETARY RICE: Sylvie, I have met both parties. I will meet both parties again. And I'm going to go to Egypt in between and I will see the King of Jordan after. This is a work in progress and we've got a lot of work ahead of us. But I sense the seriousness and the commitment of both President Abbas and Prime Minister Olmert. I know the commitment of the teams that they have appointed. The very senior people that they have appointed to lead these delegations suggests to me that this is the most serious effort to try to end this conflict in many, many years.

And I know that there is hard work ahead. I know that there are compromises that will have to be made. Let's remember that the November document is not the final status agreement in and of itself; it is a document that is meant to demonstrate that there is a basis for negotiations on the establishment of a Palestinian state. We're not going to -- they're not going to try to solve everything in this November document, but it does need to be a serious and substantive and concrete document that can demonstrate that there is a way forward. And I can just tell you that there is great seriousness, there is great commitment. There are very senior people who are going to lead these delegations, and that gives me confidence that we're going to get the very best efforts of both parties and they're certainly going to get the very best effort of

PRESIDENT ABBAS: (Via interpreter) We and the Israelis have clear terms of reference, which is the roadmap plan, which includes the vision of President Bush and the Arab Peace Initiative. And if we look at this map, at this plan, we will see that it gives the solutions, all the solutions and all the answers for the different issues that we would like to discuss and negotiate, and it has progressed undoubtedly. This plan should be put before the two parties with all honesty and integrity and that the document that we will bring to the international meeting would be on the basis of the roadmap plan.

QUESTION: (Via interpreter) Mr. President, until now I did not hear about the timeframe or the limit, the time limits for the joint declaration, for the negotiations. Was this abandoned about the timeframe, the schedule for the declaration?

Dr. Rice, since the first meeting between President Abbas and Prime Minister Olmert, Prime Minister Olmert promised to dismantle military checkpoints and to facilitate the movement for the Palestinians in the West Bank, but nothing happened yet and the situation became worse and more complicated. And the whole process losing credibility for the Palestinian people it's not trustable yet, the whole process with the Israelis. How you want the Palestinians to trust new promises for the core issues which more sensitive and complicated? How you want that? And can you ask the Prime Minister Olmert (inaudible) to implement what he promised or to ask the two parties or the -- all parties to respect the United Nation resolutions relating to the conflict?

SECRETARY RICE: Well, I've asked the parties to do exactly that, and I think that those obligations are spelled out in a really rather concrete way in the first phase of the roadmap. And we're going to be working with both parties and the United States will be working with both parties to make certain that those roadmap obligations are implemented. I think that is an important role that we can play as a member of the Quartet and as a party with friendly relations with both Israel and the Palestinians.

As to promises, when you come to the negotiation of the establishment of a Palestinian state, I know the negotiators that President Abbas has appointed, I know the negotiators that Prime Minister Olmert has promised - has appointed. These are experienced people and they are going to look first for a document that will show a way forward. And when we get to final status negotiations, I'm quite certain that it's going to be a very tough and very straightforward negotiation that will have the support of the international community and that will therefore give a basis on which such agreements could be implemented as conditions permit and as the roadmap obligations are

So I'm concerned right now that we create the very best atmosphere possible to keep this momentum going forward. That means that we're going to be paying a lot of attention to the implementation of roadmap obligations in this period, but it also means that we're going to trying to help the parties to come to a document that will help them with that basis for moving forward.

QUESTION: Mr. President, you've made clear what you would like to see included in the document include -- based on the previous agreement. I wondered if you could explain a little bit what specifically or whether or not you've been able to reach agreement on any of those issues to include in the document at this point which of those -which of those proposals you've not been able to include or have -- the Israelis have objected to, and whether or not -- whether or not you feel like the Bush Administration is doing enough to bridge those differences. Thank you.

PRESIDENT ABBAS: (Via interpreter) The Israeli and Palestinian delegations started actually their work towards preparing for the document to be taken to the international meeting. Of course, prior to going to Washington this document will be ready.

As for the negotiations, as for that, they will not be open-ended and they will have a timeframe and time limits and schedule in order to accomplish everything that is

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PRESIDENT ABBAS: (Via interpreter) Of course, Dr. Rice's presence here and her visit is a good indication of the efforts by the Administration, by Mr. Bush's Administration, in order to reach an agreement. As for the issues that we agreed on and/or disagree on, we are on the beginning, the first step of the negotiations, on the road to negotiations, and all the issues that I mentioned and the things that are mentioned in the roadmap plan are issues to be negotiated, but we cannot say now what we agreed on and what we are disagreeing on because we are in the heart, in the middle of these negotiations. Once we reach a conclusion, we hope that things will be

QUESTION: (Via interpreter) Dr. Rice, you heard from the Vice Prime Minister Eli Yishai that in order to discuss final status issues and negotiations could lead to the collapse of the Israeli Government, the government of Mr. Olmert. In your opinion, in the opinion of the United States, is the government more important than the peace process in general, or is the peace process more important than the Israeli Government?

SECRETARY RICE: Well, I really can't speak to the internal politics of Israel. That's for Prime Minister Olmert to do and for Prime Minister Olmert to decide how he will handle his own internal situation.

The reason that I spoke to a variety of people within Israel's political spectrum, and indeed I will meet with some civil society leaders later on today, is that I think -- sorry, later on this week -- I think that it's important that a variety of people in Israel hear first hand from the United States, from me representing the President, how important we see the establishment of a Palestinian state to be, how important we see it to be because frankly it's time for the establishment of a Palestinian state and it's time for Israel to live in the security that is going to come with a peaceful and democratic neighbor. It's time for Palestinians to have their own state. We've — everybody's waited a

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long time and so the United States feels strongly that this is the time to make a very big effort.

Now there are lots of bridges to cross before we get there. There are many issues to be discussed. There is a question of building the capability of a Palestinian state to actually govern, building its security forces. There are issues that the Israelis will have to deal with as — that are as Prime Minister Sharon put it "painful compromises" because the land will, from the Israeli point of view, have to be divided. So there are a lot of very difficult issues ahead.

But I wanted, in my own voice, to be able to say to as many people as possible, the United States sees the establishment of a Palestinian state, a two-state solution, as absolutely essential to the future of not just Palestinians and Israelis but also to the Middle East and, indeed, to American interests. And that's really a message that I think only I can deliver.

By the way, we'll also meet with Palestinian civil society and I'm going to deliver the same message there because ultimately the people, the Palestinian people and the Israeli people, have to want an end to this conflict. I believe they do and I think their leadership is reflecting that in the serious work that President Abbas and Prime Minister Olmert are now embarked upon.

But it's hard. I was standing in this room several months ago when all of the questions were would anybody be willing to talk about the core issues. And now we're talking about a joint document that will seriously and substantively address core issues. We've come quite a long way. We've got quite a long way to go. But we're not going to tire until I've given it my last ounce of energy and my last moment in office.

Thank you.

2007/T17-8

Released on October 15, 2007

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